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STATE FOR EB/ESC, WHA/CEN, EB/TPP  
STATE PASS USTR FOR HIRSCH  
USDOC FOR MARK SIEGELMAN, TCC/4100  
SAN SALVADOR FOR NANCY CHARLES-PARKER  
TREASURY FOR ALICE FAIBISHENKO

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SUBJECT: RESIGNATION OF ADVISING MINISTER ON HOUSING NO  
REAL LOSS FOR THE ZELAYA ADMINISTRATION

Classified By: Political Counselor Alexander Margulies. Reasons 1.4(b/d  
) .

11. (C) SUMMARY: Advising Minister on Housing Hector Briceno resigned in a huff on 10/27, lamenting a lack of political support from President Jose Manuel "Mel" Zelaya. Briceno, whose appointment to an "advising ministry" (with no agency to direct) was a political payoff in the first place, is no/no real loss for the GOH, as his attempts to exert authority were interfering with other officials' more effective efforts to foster investment in the housing sector.

With major Cabinet changes rumored to be in the offing come December, Briceno may well have read the writing on the wall and concluded that it was best to leave on his own terms.  
END SUMMARY.

12. (U) A civil engineer by training and building contractor by profession, Hector Briceno had no previous experience in administration or government service. He had worked for Zelaya for ten years on a number of the President's previous political campaigns, and as a reward for his work Zelaya created for him the position of "Ministro Asesor para Asuntos de Vivienda" (Minister Advisor for Housing Affairs), and gave him a staff of fourteen. Briceno's office had little funding and he worked mostly out of his house.

13. (SBU) Briceno's job was never defined, though Briceno publicly proclaimed his (rather than the GOH's) mission was to bring affordable housing to the poor. He was an enthusiastic supporter of President Zelaya's campaign promise to build 200,000 houses, even after the President himself stopped making references to the pledge. (NOTE: Ministry of Housing, Transport and Public Work's (SOPTRAVI) Director of Housing Karla Ucles privately told EmbOffs that a goal of 40,000 "housing solutions" would be ambitious, but that 200,000 could never be achieved. She denied such a promise had ever been made, and seemed genuinely irritated that the much higher number had attained the feel of truth by being repeated so often by GOH officials. END NOTE.) Briceno's multiple proclamations that he was personally responsible for all housing matters brought him into conflict with SOPTRAVI, which is tasked with facilitating investment in housing and coordinating GOH housing-related subsidies and projects with the international financial organizations.

14. (SBU) Briceno publicly sought the consolidation of

SOPTRAVI and two other housing-related government agencies into one agency, an entity to be placed under his control. He refused to participate in intra-GOH housing coordination meetings that he didn't chair, and was absent from most of the IDB negotiations. In multiple meetings with Post and Washington visitors, Briceno railed against SOPTRAVI and provided only vague areas of potential cooperation, limiting the productiveness of those meetings. Vice President Elvin Santos, former President of Construction Association, ensured that SOPTRAVI would be present at bilateral meetings on foreign investment in the housing sector, and would not/not support the creation of a separate housing institute under Briceno's control. (COMMENT: Post has been impressed by SOPTRAVI's Director of Housing (equivalent to Vice Minister) Karla Ucles, seriousness and diligence in designing a USD 30 million Interamerican Development Bank (IDB) facility, and considers her a dedicated and capable professional. END COMMENT.)

15. (U) Briceno announced his resignation publicly, stating that he joined the government to build houses for the poor, but since he was not given sufficient authority or support to do that work he saw no reason to continue working for President Zelaya. However, Briceno promised to continue fighting for housing and expressed his hope of returning to government service if/when he has sufficient power to create a housing agency that will respond to the needs of the poor.

16. (C) COMMENT: Briceno's departure is no/no loss for the Zelaya administration. A political hack if ever there was one, Briceno's continued public championing of Zelaya's unrealistic campaign promise to build 200,000 houses only embarrassed the government, while his energetic efforts to expand his own "turf" interfered with other agencies that have actually been registering accomplishments. With major Cabinet changes reportedly being planned for December,

Briceno may well have recognized that his head was prime material for the chopping block and chose to resign on his own terms. Perhaps the real question should be not why Briceno left, but why he was appointed in the first place and then allowed to remain as a disruptive presence for so long. END COMMENT.  
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